

**RECORD OF PROCEEDINGS
MINUTES
of the
Board of Water Commissioners**

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday August 24, 2016

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday August 24, 2016, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
H. Gregory Austin, Vice President

Board employees and others present during portions of the meeting were:

J.A. Anderson, Chief of Staff	M. King, Chief Planning Officer
A.C. Bricmont, Chief Financial Officer	J.S. Lochhead, CEO/Manager
G. Cagle, Chief Human Resources Officer	R.J. Mahoney, Chief Engineering Officer
S. Covington, Chief Public Affairs Officer	T.J. Roode, Chief Operations and
C.R. Dermody, Chief Information Officer	Maintenance Officer
B.D. Good, Chief Administrative Services	P.L. Wells, General Counsel
Officer	Construction
K. Bates, Attorney	M. Garfield, Customer Relations Manager
D. Bennett, Environmental Lead Scientist	D. Hamm, Division Analyst
K. Bergl, Intern- Business/Technical 2	J. Lorton, Accounting Manager
L. Billeter, Community Relations Sr.	J. Ross, Engineer Sr.
Specialist	T. Rupprecht, Engineer
P. Carey, Purchasing & Contract Manager	J. Seagren, Community Relations Sr.
A. Chavez, Contract Specialist	Specialist
P.B. Coleman, Chief Internal Auditor	D. Shable, Engineer

Denver Water aspires to be the best water utility in the nation.

Integrity :: Vision :: Passion :: Excellence :: Respect



R. DeCoursey, Finance Sr. Analyst
E. Martinez, Director HR – Total Rewards
P. McCormick, Engineer Sr.
K. Petrik, Director Engineering -
J. Adams, Trammel Crow
C. Birley, Davis, Graham & Stubbs
J. Bushong, Clifton, Allen, Larson
L. Ferguson, Trammell Crow
R. Jackson, Jackson Construction

U. Sharma, Treasurer
S. Snyder, Communication Sr. Specialist
J. Spitze, IT Sr. Project Manager
R. Stitt, Planner Lead
D.R. Walsh, Engineer Sr.
T. Jackson, Jackson Construction
W. Mosher, Trammell Crow
M. Rosenquist, Mortenson
M. Sullivan, Trammel Crow

I. INTRODUCTORY BUSINESS

Commissioner Tate called the meeting to order at 9:26 a.m.

Public Comment and Communications

Commissioner Tate issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting. There was none.

II. POLICY PRESENTATIONS

1. ITEM III-A: OCR

Mr. Ross introduced Ms. Rosenquist of Mortenson and Mr. Ferguson of Trammel Crow. Mr. Mosher presented the Board with an update on the OCR project, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He noted that three items will occur this month: 1) asbestos abatement and demolition will soon occur for buildings 12 and 13; 2) delivery of the final Phase One GMP packages reflecting the external auditor's comments; and 3) delivery of finalized value engineering trends for the administration building and garage. In the design portion of the project, the MWBE goals have been exceeded and Mr. Mosher anticipates that Mortenson will meet the MWBE targets for the construction phase.

The project is currently \$7.8 million over budget, with an overage of \$3.4 million on Phase One, and an overage of \$4.4 million on work packages five through six(a). The majority of the \$3.4 million is related to the site work and utilities. In order to reduce the additional overages, the landscaping work has been removed from work package one(a) and dedicated to work package six, \$600,000 will be transferred from the owner's remaining allocated contingency

fund to the owner's unallocated contingency fund, and value engineering trends will be applied. Many portions of the project are in various stages of design, and the team will endeavor to match the scopes with the budgeted amounts. For example, the \$1.54 million budgeted for public art will be re-visited, the square footage of the administration building will be reviewed the vehicle wash, building 16, and the Three Stone buildings have been removed from work package six(a), as this work that can be revisited later in the project. Additional savings can be achieved by moving office chairs from the current to the new administration building, and from revisions to the design of the Three Stone buildings.

Commissioners Tate and Austin expressed that the Board wishes for the project to stay as true as possible to the original design and concept, including the One Water, public art and the Three Stone building concepts, while adhering to the budget. Commissioner Gougeon stated that the Board must be made aware of choices and potential trade-offs. Mr. Lochhead remarked that it would be a mistake to lose square footage in the administration building, in that very little contingency space has been allocated, and that RNL has performed due diligence regarding reviewing the original program.

Mr. Mosher said that Trammel Crow remains committed to having the administration building designed and constructed for the original budgeted amount. Although sustainability goals remain in place, the cost of the WELL Building Standard for the Administration Building will come from contingency funds. Mr. Lochhead remarked that he is concerned about the sustainability vision for the project and requested to be made aware of any potential compromises.

Commissioner Tate introduced Messrs. Jackson, from Jackson Construction, and noted that their business is an MWBE. Mr. Mosher thanked Commissioner Tate for his continued efforts in referring MWBE organizations to Trammel Crow.

III. ACTION ITEMS

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

2. ITEM II-A-1: TABULATION OF BIDS FOR WATER MAIN BREAK – EMERGENCY WATER DAMAGE CLEAN UP SERVICES – CONTRACT 16755A

Awarded Contract 16755A to Restoration Logistics, Inc. for emergency water damage cleanup services for the contract period of September 1, 2016 through August 31, 2016, for a total contract amount not to exceed \$650,350.00.

3. ITEM II-A-2: TABULATION OF PROPOSALS FOR LONE TREE AND 64TGH AVENUE PUMP STATION FLOWMETER IMPROVEMENTS – CONTRACT 16735A

Awarded Contract 16735A to Aslan Construction, Inc. for Lone Tree and 64th Avenue Pump Station flowmeter improvements for the contract period of August 24, 2016 through March 17, 2017, for a total contract amount not to exceed \$381,000.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit B.

4. ITEM II-A-3: TABULATION OF PROPOSALS FOR THE MARSTON FOREBAY SOUTH EMBANKMENT SEEPAGE COLLECTION AND DRAINAGE SYSTEM – CONTRACT 16803A

Awarded Contract 16803A to T. Lowell Construction, Inc. for the Marston Forebay South Embankment Seepage Collection and Drainage System for the contract period of August 24, 2016 through December 16, 2016, for a total contract amount not to exceed \$675,000.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit C.

5. ITEM II-A-4: TABULATION OF BIDS FOR THE MARSTON AND MOFFAT TREATMENT PLANTS CHLORINE SCRUBBER MODIFICATIONS – CONTRACT 16685A

Awarded Contract 16685A to Garney Companies, Inc. for the Marston and Moffat Treatment Plants Chlorine Scrubber Modifications for the contract period of August 24, 2016 through May 19, 2017, for a total contract amount not to exceed \$523,000.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit D.

6. ITEM II-A-5: AGREEMENT FOR ONSITE CONSTRUCTION INSPECTION SERVICES FOR STRONTIA SPRINGS DAM EMERGENCY

**RESERVOIR DRAINAGE SYSTEM (ERDS) REHABILITATION AGREEMENT
– CONTRACT 16253B**

Approved Contract 16253B with Infrastructure Marine Consultants, LLC for construction inspection services for the contract period of August 10, 2016 through December 31, 2016, for a total contract amount not to exceed \$128,828.50.

**7. ITEM II-A-6: TABULATION OF PROPOSALS FOR DOWNSTREAM
RESERVOIR WATER STORAGE PROJECT (DRWSP) NORTH COMPLEX
ELECTRICAL, INSTRUMENTATION AND CONTROL PROJECT –
CONTRACT 16712A**

Awarded Contract 16721A to Burns & McDonnell Engineering Company, Inc. for Design/Build services for the DRWSP North Complex Electrical, Instrumentation and Control Project for the contract period of August 24, 2016 through September 27, 2017, for a total contract amount not to exceed \$6,369,400.00.

The Tabulation of Proposals is attached to and incorporated in these Minutes as Exhibit E.

**8. ITEM II-A-7: AGREEMENT WITH CAROLLO ENGINEERS, INC. FOR
NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP)
DESIGN PACKAGE #3 – ELECTRICAL, INSTRUMENTATION AND
CONTROL SYSTEMS – CONTRACT 16851A**

Approved Contract 16851A with Carollo Engineers, Inc. for the NSRWTP Design Package #3 Electrical, Instrumentation and Control Systems for the contract period of August 24, 2016 through March 31, 2017, for a total contract amount not to exceed \$1,798,675.00.

**9. ITEM II-A-8: AMENDMENT NO. 2 WITH GREAT LAKES
ENVIRONMENTAL & INFRASTRUCTURE, LLC FOR LUPTON LAKES
GROUNDWATER CUTOFF WALLS – CONTRACT 16402A**

Approved Amendment No. 2 with Great Lakes Environmental & Infrastructure, LLC for slope stabilization design and construction. The amendment adds \$885,350.00, for a total amended contract amount not to exceed \$4,870,305.00.

IV. POLICY PRESENTATIONS

10. ITEM III-B: EXTERNAL AUDITOR UPDATE ON ORCA GO LIVE

Ms. Lorton introduced Ms. Bushong and reported that the new ORCA system went live in July, appears to be working well and that staff are being oriented to help them understand the new data structure.

Ms. Bushong reported that the external auditor's role is to determine if the financial information being transferred from the old to the new data structure is materially correct. Her firm reviewed this transfer, including a review of the project charter, testing, approvals and conversion, and found that all of the data transferred appropriately and that there were no material weaknesses or significant deficiencies.

I. BRIEFING PAPERS & REPORTS

11. ITEM IV-A: CEO UPDATE

Mr. Lochhead reported that staff have been working with Denver Public Schools (DPS) to develop a program to test for lead fixtures within their facilities. It is anticipated that DPS will add the cost of replacements to its upcoming bond issuance. All fixtures and lines that test at 15 ppm or higher will be replaced. Denver Water will assist DPS with communication about the program.

Additionally, staff met with other school districts within Denver Water's service, the Colorado Department of Public Health and Environment, Tri-County Health, Jeffco Health, the Environmental Protection Agency and fifteen area water utilities to discuss the issues surrounding lead service lines. All have appreciated Denver Water's efforts to bring these issues to the forefront and anticipate using our plan as a model. On September 14, 2016 staff will present the Board with its proposed comprehensive lead program and budget.

Mr. Lochhead said that he will speak this evening at a Greenway Foundation event at Confluence Park, where the environmental pool at Chatfield Reservoir will be announced. Denver Water will purchase 250 acre-feet of capacity for \$2 million, to be used for environmental flow purposes, contingent on the Greenway Foundation ability to raise funds and purchase an additional 250 acre-feet of capacity. Ultimately, the plan is to use this water downstream for a fish hatchery just below the dam and a sustainable fishery in the South Platte.

12. ITEM IV-B: CFO UPDATE

The Board received the Monthly Financial Report dated July 31, 2016, as set forth in Agenda Item IV-B-1, which is attached and incorporated in these Minutes as Exhibit F. Ms. Bricmont noted that this report reflects the new Chart of Accounts, organizational restructuring and new compensation structure, but that historic data in the old structure will be in the reports until July, 2017 when there will be an entire year of data in the new structure.

Additionally, Ms. Bricmont reported that managers are now able to budget on a monthly basis, which increases their ability to manage actual spending. Although a monthly forecasting module is available now for capital projects, forecasting module will be available to all managers in September.

13. ITEM IV-C: OPERATIONS UPDATE

Mr. Roode provided the Board with an update on the recent pipe disinfecting project with the City of Aurora, using the Mobile Ozone Disinfection System (MODS). Although the disinfection process was successful, Aurora decided to replace the pipe. Denver Water had a similar successful project recently and Mr. Roode hopes to have the MODS available to T&D on a daily basis in 2017.

V. BRIEFING PAPERS & REPORTS**14. ITEM V-A-1: WISE PARTNERSHIP**

The Board received a Briefing Paper about the WISE Partnership, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

15. ITEM V-A-2: NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP) DESIGN PACKAGE (DP) #1-3 PROPOSAL RECOMMENDATIONS

The Board received a Briefing Paper about the NSRWTP Design Package #1-3 Proposal Recommendations, a copy of which is attached to and incorporated in these Minutes as Exhibit H.

16. ITEM V-A-3: LUPTON LAKES GROUNDWATER CUTOFF WALLS

The Board received a Briefing Paper about the Lupton Lakes Groundwater Cutoff Walls, a copy of which is attached to and incorporated in these Minutes as Exhibit I.

VI. ADJOURNMENT

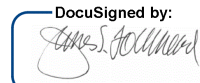
No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:53 a.m.


EXECUTIVE SESSION

On Wednesday August 24, 2016 , commencing approximately at 11:05 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, was discussed during the Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:15 p.m.

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Secretary

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President